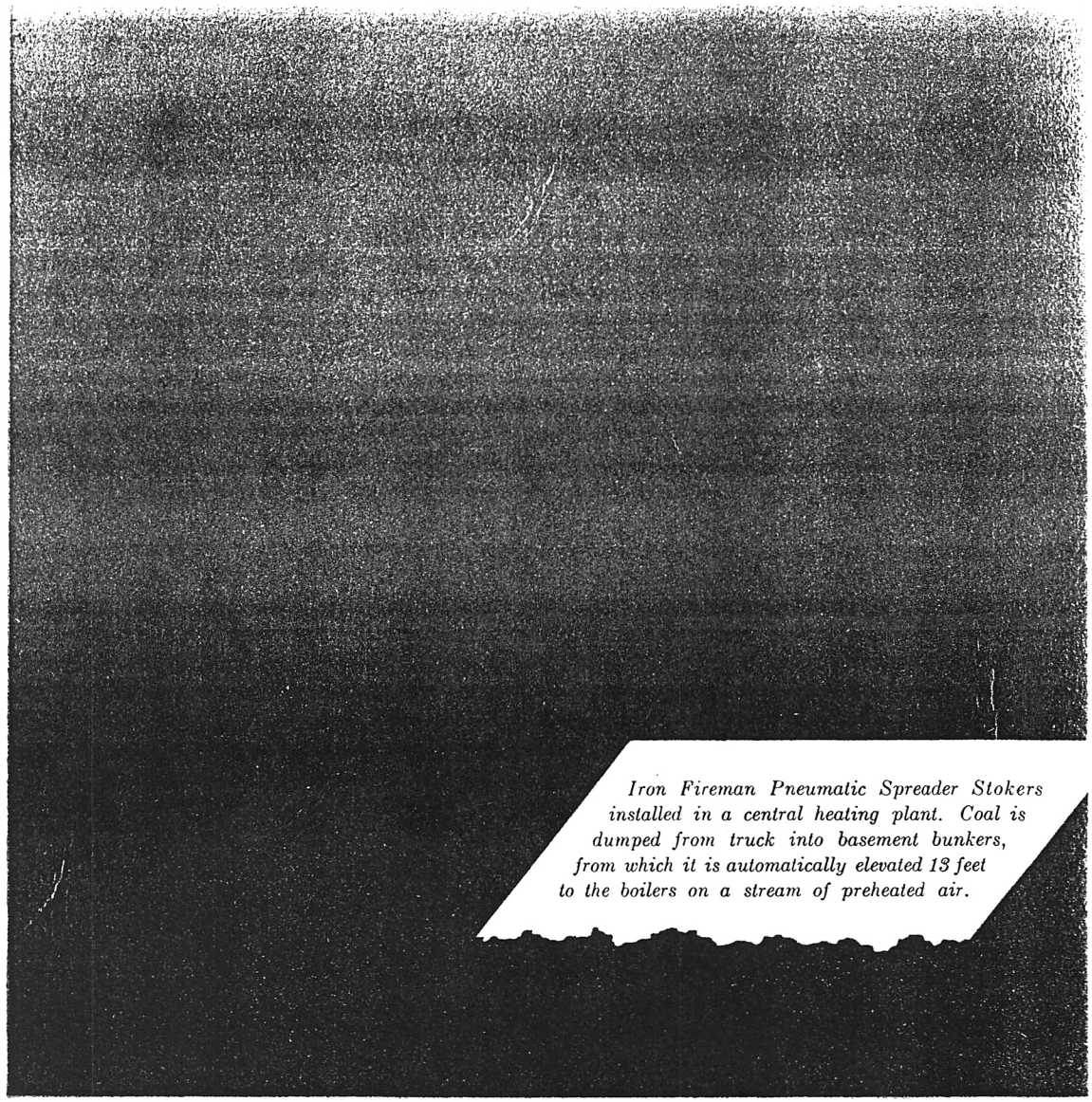
1940

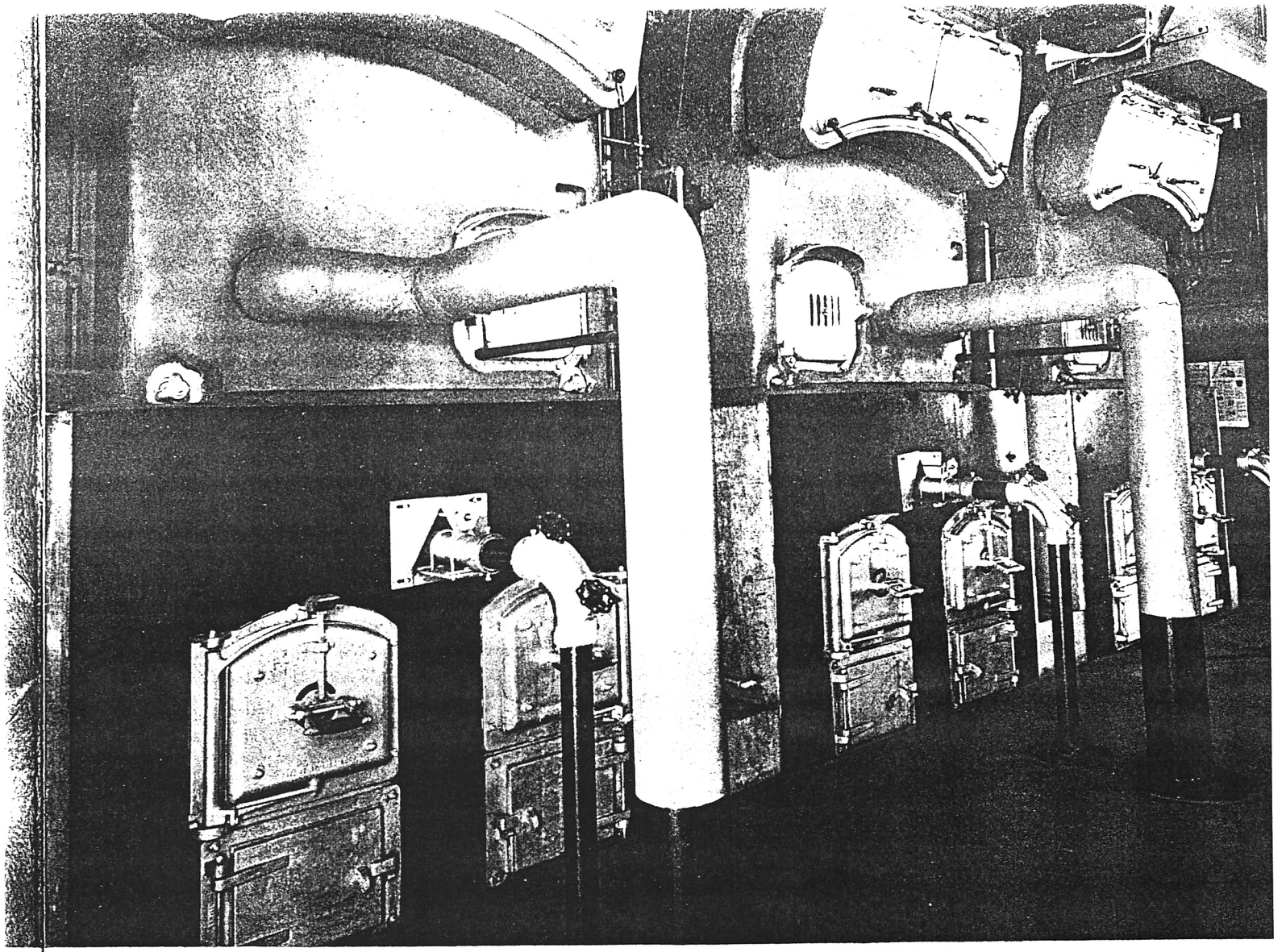
Twenty-First Annual Report

IRON FIREMAN MANUFACTURING COMPANY



Iron Fireman Pneumatic Spreader Stokers installed in a central heating plant. Coal is dumped from truck into basement bunkers, from which it is automatically elevated 13 feet to the boilers on a stream of preheated air.

21st Annual Repo

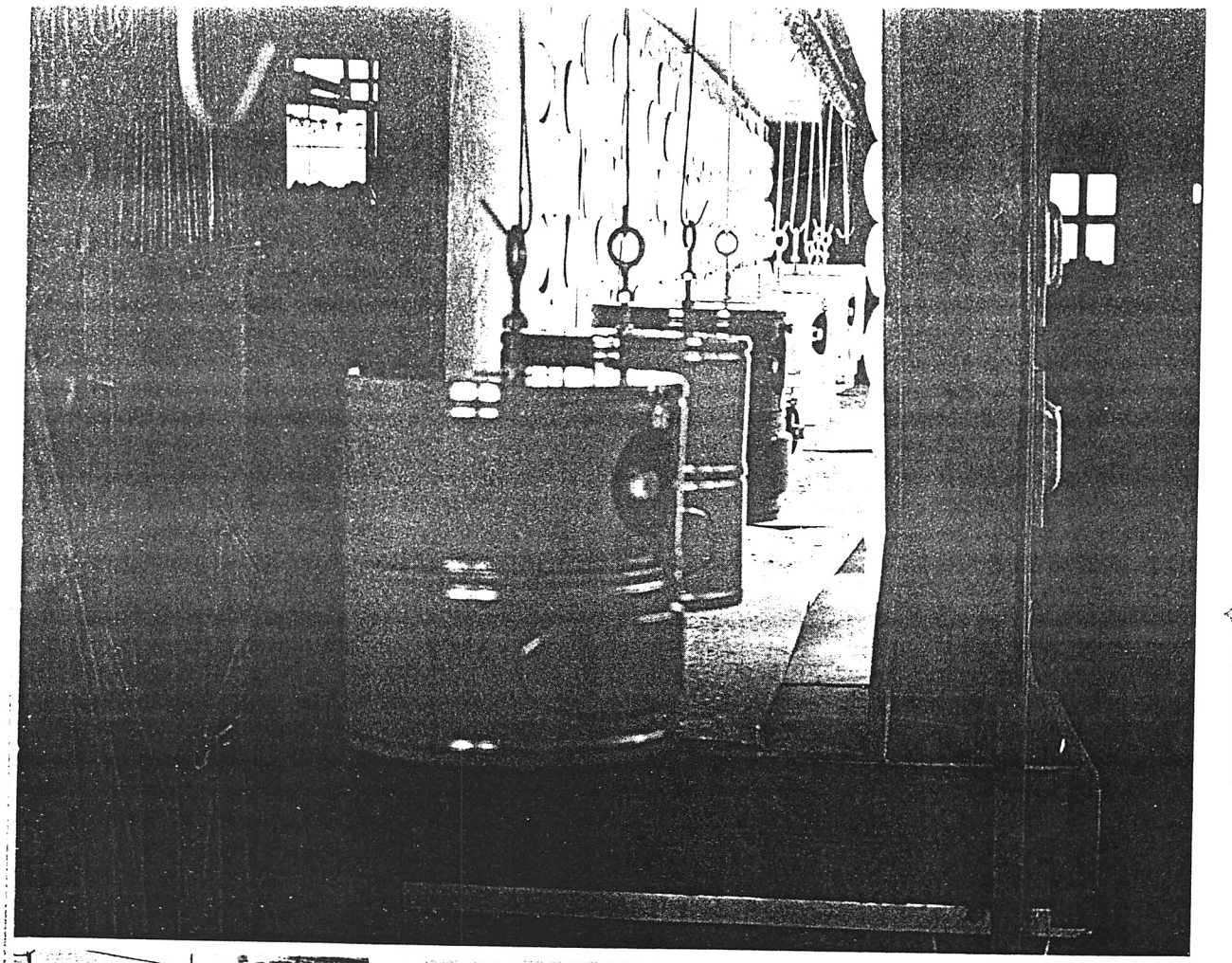


.. OF IRON FIREMAN MANUFACTURING COMPANY COVERING THE YEAR 1946

PRESIDENT'S LETTER

To the Stockholders:

As shown in last year's report, the Iron Fireman Manufacturing Company entered the year 1946 in a favorable position to maintain its leadership in the industry. Our ability to design, produce, and market a superior product was unquestioned. The only uncertainty in our entire program was the availability of raw materials, and this situation appeared to be reasonably well balanced based upon inventories and commitments for future deliveries from many of our suppliers. During the year, however, the



Stoker parts emergi infra-red oven whic fresh enamel to a glossy finish. En applied in electr spray booth in whic become charged wit electricity. The bearing an opposite clings to the surfac out running or dr

Iron Fireman he equipment requires a variety of automatic trol instruments, ra from simple therm to complicated timin refueling devices. T a section of the ass department in the H Control Division. Be are equipped with matic tools.

General Electric and Westinghouse organizations, two of our principal suppliers of electrical equipment, suffered prolonged strikes which so materially reduced the flow of motors and transformers into our plants that only one-third of our planned production was delivered.

Despite the acute shortage of certain types of materials, net sales for the year 1946 totaled $11,515,823.65, the largest peacetime sales in the company's history. But, even with this large volume, your company has not been in a position to supply dealers with the amounts and types of products for which they had sales and for which they have waited over a long period of months. As a result, we are carrying forward into 1947 a sizable backlog of orders for many of our products.

Net profits for the year 1946 amounted to $769,102.46, or $2.14 per share on the 359,910 shares of stock outstanding. The reserve for additional costs arising out of war was reduced during the year by $65,000. This sum has been included in income to offset unusual expenses incurred in the reconversion of our plant which were charged against operations. An additional income item in 1946 resulted when the Canadian dollar was brought into line with the U. S. dollar. This permitted us to return to profits the reserve of $69,225.06 previously charged to operations that we had been carrying to write down the net current assets of our Canadian subsidiary company to the par of exchange. Another unusual item of income for 1946 was the profit on the disposal of the remainder of our marine engine plant as well as the excess of our insurance recovery over the book value of assets destroyed by fire at our main plant during 1945.

Renegotiation on our 1945 war production contracts is still pending. All requisite information has been furnished to the Price Adjustment Board, but proceedings have not yet started and the results cannot be known. However, in the opinion of the management, no excessive profits for the year 1945 exist and therefore no refund should be required.

At the annual meeting held on February 14, 1947, the Board of Directors declared a regular annual dividend of $1.20 per share, payable in quarterly installments of 30 cents each. This dividend will be paid out of the 1946 earnings and the dividend schedule for 1947 is as follows:

March 12, 1947, to holders of record February 24, 1947

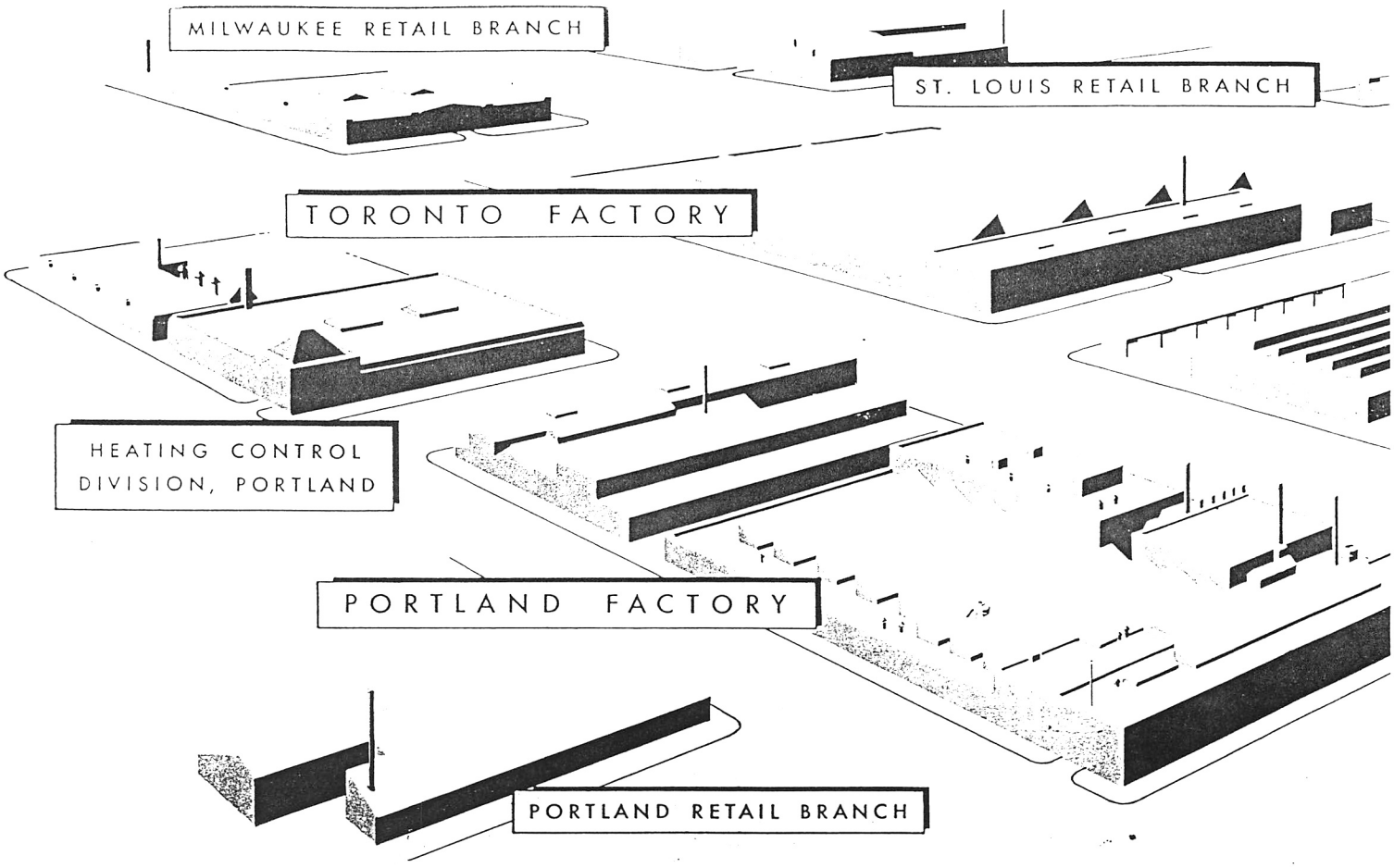
June 2, 1947, to holders of record May 10, 1947

September 2, 1947, to holders of record August 9, 1947

December 1, 1947, to holders of record November 10, 1947

Plant Expansion

On September 30, 1946, the company exercised its option to purchase the physical properties of the L. R. Teeple Company as well as all patents and trademarks. This excellent Portland factory which for many years produced most of the control instruments used with Iron Fireman equipment is now known as the Heating Control Division of the Iron Fireman Manufacturing Company. In addition to producing control instruments for our own equipment, it is turning out a very large volume of thermostatic controls for electric water heaters. This thermostat is outstanding in its field, due to certain patented features and to its unusually simple and sturdy design. It is used by many manufacturers of electric water heaters throughout the United States.



As Iron Fireman Manufacturing Company extends its activities over the entire heating field, its physical plant keeps pace. The continent-wide dealer organization is served by these manufacturing and marketing facilities in the United States and Canada.

During 1946, construction was started on the new factory building in Toronto and the new building for the Chicago Retail Branch. Both of these projects are nearing completion.

During the year we took care of a certain amount of plant rearrangement due to reconversion to our peacetime operations; however, additional changes will have to be made to obtain the desired efficiency out of our various facilities and these changes we plan on making during the year 1947.

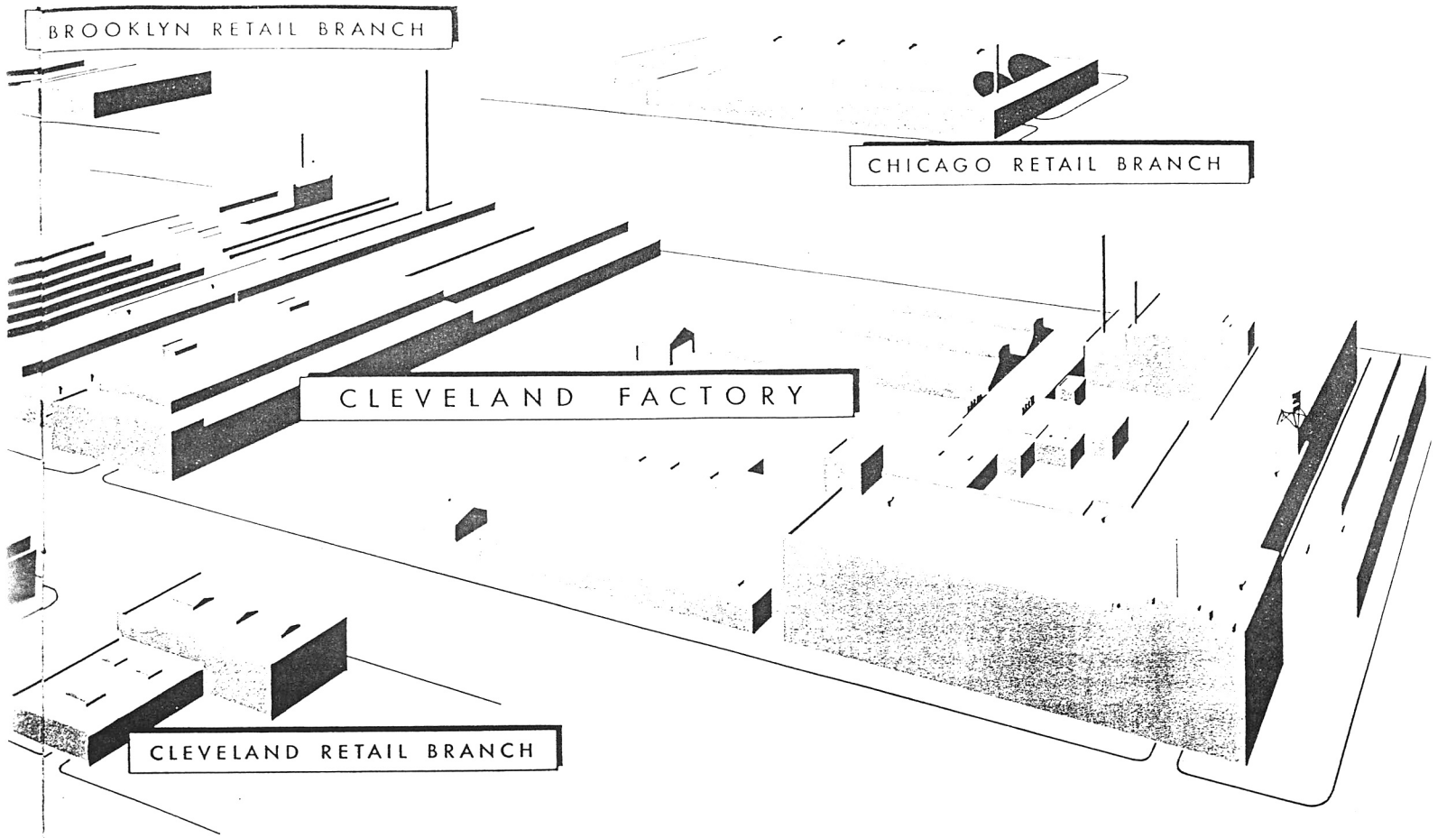
Price Adjustment

When the government controls were lifted in November and December, 1946, Iron Fireman did not increase the price of any of its equipment and dealers were notified that price schedules would be unchanged until after the first of the year. It was evident, because of the price advances announced by many of our suppliers, that increases in prices of our equipment would be necessary, and effective January 2, 1947, new price lists were issued. However, these increases were held to an absolute minimum with the hope that we will be able to produce in greater volume during 1947 and thus absorb a portion of the additional costs.

Employee Relations

Although relations with our employees are generally satisfactory, we are not receiving the same production efficiencies that we had before the war. The spirit of unrest which has swept the country generally has been felt in our manufacturing operations resulting in petty grievances that never would have arisen in the past.

Whereas this situation is not widespread, it has caused disturbances and lack of output, keeping working conditions on the edge of harmony rather than creating a feeling of mutual

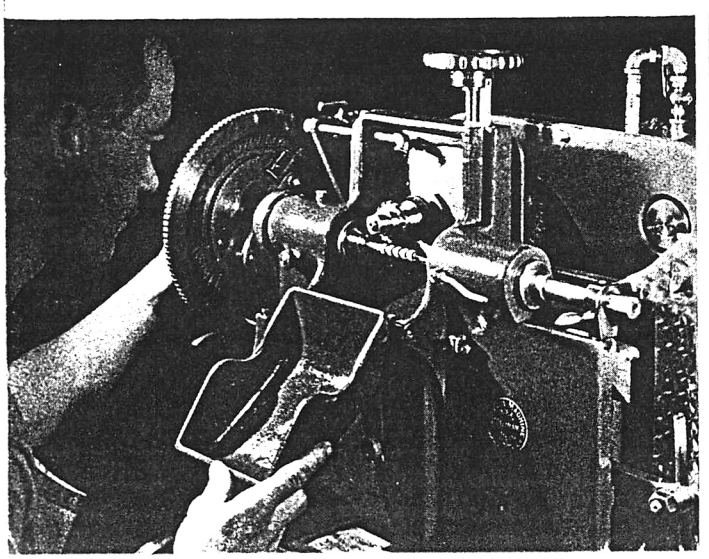


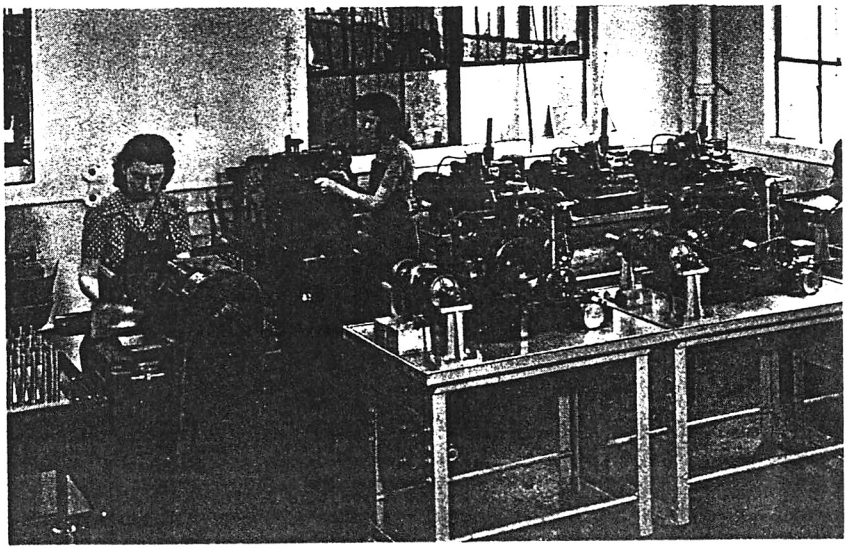
understanding and responsibility which formerly existed. It is hoped that this condition will pass and that in the near future the unions again will show a willingness to read into their contracts a spirit of cooperation and to assume responsibility for all of their members to exchange a substantial eight hours' work for eight hours' pay.

Looking Forward

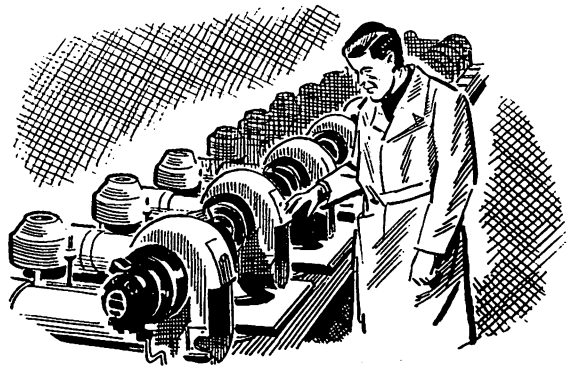
As we enter 1947, we face a continuation of the materials situation that existed throughout 1946. Electrical equipment for the commercial and industrial lines is adequate, but the shortage of small motors for residential stokers and motors and transformers for domestic oil burners may continue well into the year. This un-

Many of the small parts for control instruments require the same precision as watchmaking. The machines shown here in the Heating Control Division were all designed and built by Waltham Watch Company. At left, cutting tiny gear wheels. Right, corner of the gear cutting department.





certainty in the supply of raw materials presents our greatest problem in planning the production and distribution of our equipment during 1947. To meet this situation your Management has devised a plan to correlate sales with the materials available and with our production facilities. The over-all program for the year has been established but retains sufficient flexibility to meet



changing conditions. We have coordinated at a high level of management the major production activities of the company, and it is anticipated that as a result of this planning definite gains will be made in the operating efficiency of the entire organization and that we will realize the greatest benefit from the materials that will be available for production in 1947. We have been successful in broadening our sources of supply of electrical equipment, and the manufacturers have accepted purchase orders and agreed to furnish a sufficient quantity to give us a very substantial output in 1947. We have an ample quantity of other material on hand or on order ready for delivery on satisfactory dates.

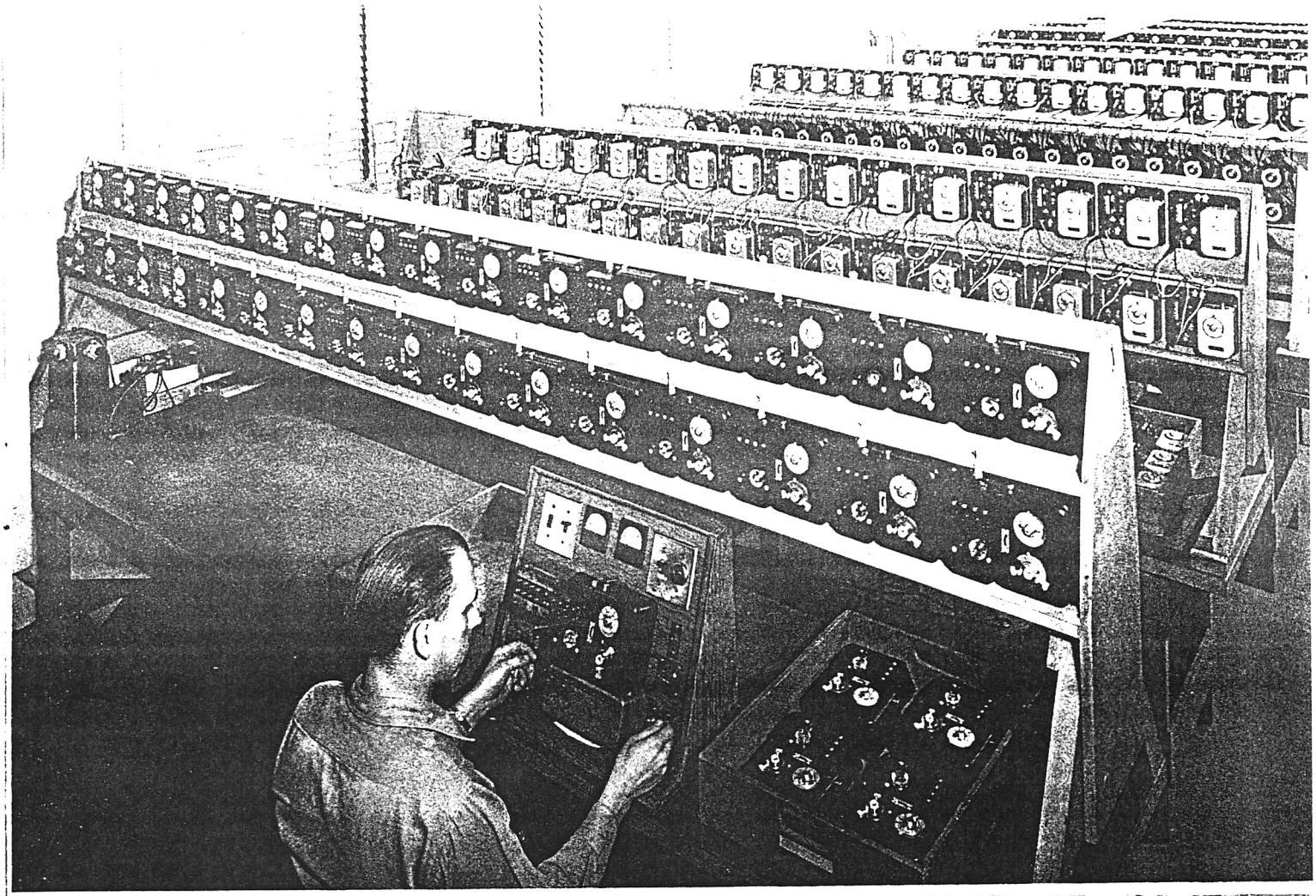
It seems to the management that the future years offer unlimited possibilities once we are clear of the material and labor difficulties that have characterized recent months.

We have extended and are continuing to extend our coverage of the heating field. Our stoker line now covers all coal burner needs from the smallest domestic equipment to the largest industrial installations. We are producing residential, commercial, and industrial oil burners ranging in capacity from .6 of a gallon to 160 boiler horsepower and expect to have ready to market in the next few months an industrial oil burner for the largest size boiler. We have self-firing, self-regulating furnaces and boilers for both coal and oil, and automatic gas fired furnaces. For all of this equipment, we manufacture a wide variety of automatic control instruments.

On the marketing side, we have a strong dealer organization that covers the United States and Canada, in addition to our retail branch outlets. The strength of this marketing organization has been increased, and its value to the Iron Fireman Manufacturing Company should be materially improved as a result of the expanded line of equipment now available for sale.

The fact that our sales for 1946 were the greatest in any peacetime year in our history, even in the face of continuous difficulties, gives us confidence that our company can maintain its leadership in the heating field.

T. H. Banfield



ABOVE: *Iron Fireman syncrostats and controllers undergoing their final tests.*

BELOW: *Assembling thermostatic controls made by Iron Fireman for the manufacturers of electric hot water tanks.*

Iron Fireman AUTOMATIC FIRING EQUIPMENT

In 1946, for the first time in six years, Iron Fireman was able to devote the entire year and the output of all its plants to the production of automatic firing equipment. Returning to civilian production was not simply a matter of picking up the old products. During the year Iron Fireman introduced new units and models which had been developed and were awaiting the end of the war for final testing before presentation to the public. This required a heavy tooling program. Preparation and testing of these new tools have been carried out continuously during 1946.

Although progress will be evident in all phases of the business, 1946 will be known mainly as the year in which Iron Fireman expanded into the entire heating field. In addition to the usual stoker line Iron Fireman added new residential oil burners and new boiler and furnace units for both coal and oil firing. A new automatic gas fired furnace was developed during the year and will be ready for early production. Another line just entering production at year's end was the new Iron Fireman heavy fuel oil burner for commercial applications. Still larger models for the heaviest industrial firing will be ready soon.

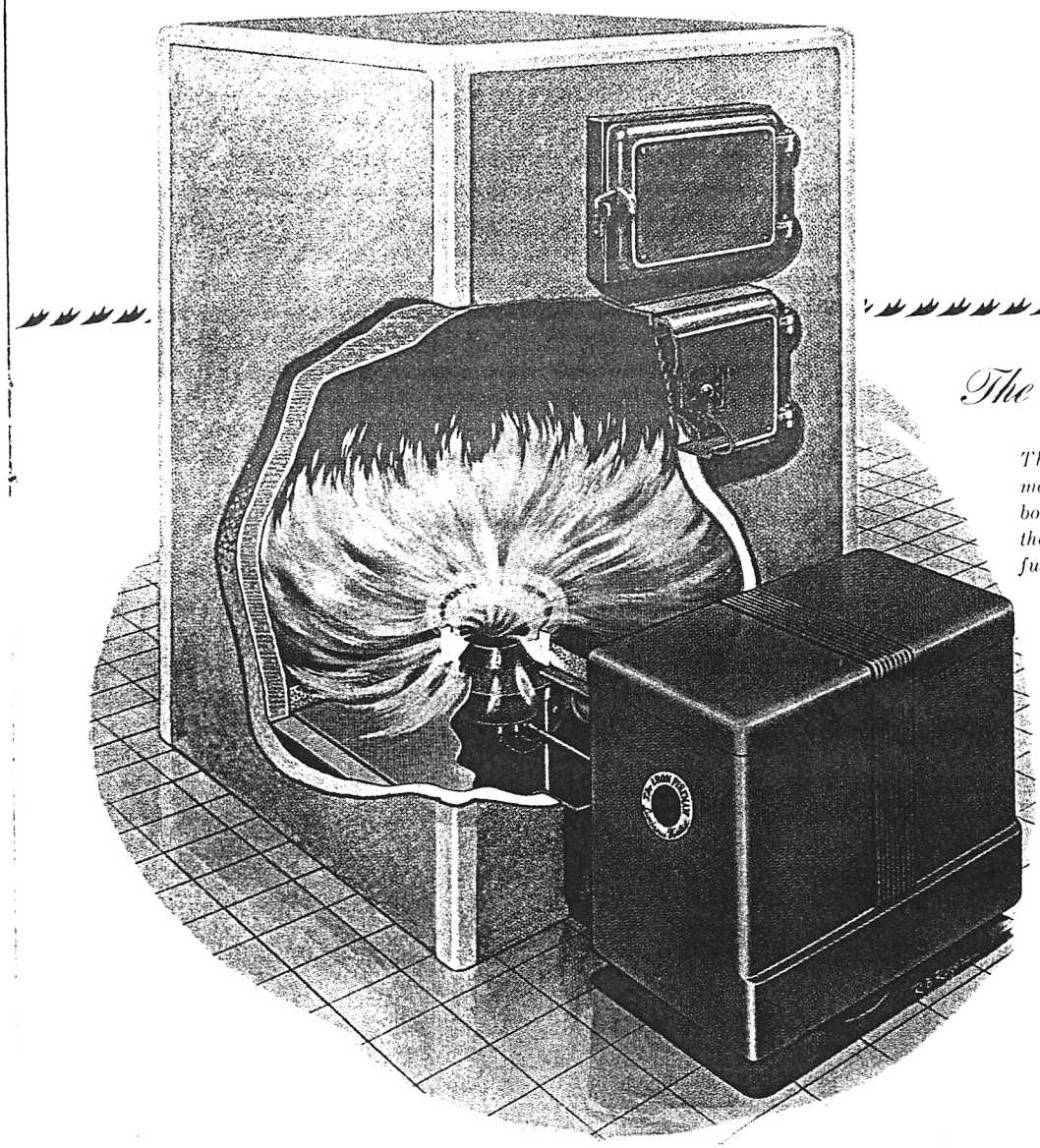
The Iron Fireman "Luminous Flame"

"Luminous Flame Heating" was the phrase featured throughout Iron Fireman's 1946 advertising. These words express a basic idea which was used to tie the new line of oil burning equipment into Iron Fireman's already well established position as the leading manufacturer of coal stokers.

"Luminous Flame" has long been a familiar term in engineering laboratories because such a flame is recognized as having certain desirable qualities for efficient heat transmission. What heating engineers desire is a heat source that will give off the greatest possible amount of *radiant* heat—the kind of heat that flows out in all directions like light from a candle. This type of heat is more effective than convective heat, which can only be utilized by passing hot gases over large areas of heating surface. Quoting the engineers, "It is the radiant effect of the luminous flame that really gives you a high heat transmission through the side walls and crown sheet of the furnace. You get your heat into the boiler or furnace and bring stack temperatures down to the point where you are not losing most of your heat up the chimney."

The New Luminous Flame Vortex Oil Burner

Iron Fireman did not step out into the oil heating field until it had developed a burner that could achieve with oil unusually high combustion standards comparable with results achieved by our coal stokers. The Iron Fireman Vortex oil burner not only produces a highly luminous flame, but applies it in exactly the same manner as the stoker. It is a truly remarkable burner, unlike any other in the entire heating field. Its unique bowl-shaped flame spreads out over the hearth and then sweeps up the side walls, bringing its full radiance to bear upon the most important heating areas of the furnace. So similar are the Vortex oil burner and the



The Luminous Flame
VORTEX

This new oil burner by Iron Fireman produces a highly efficient bowl-shaped flame which sweeps the hearth and side-walls of the furnace.

Coal Flow stoker in their methods of releasing heat that they are interchangeable without loss of efficiency in the Iron Fireman self-contained heating units illustrated on pages 11 and 12.

The following points are the most important competitive advantages of the Iron Fireman Vortex oil burner:

It is an exclusive Iron Fireman design.

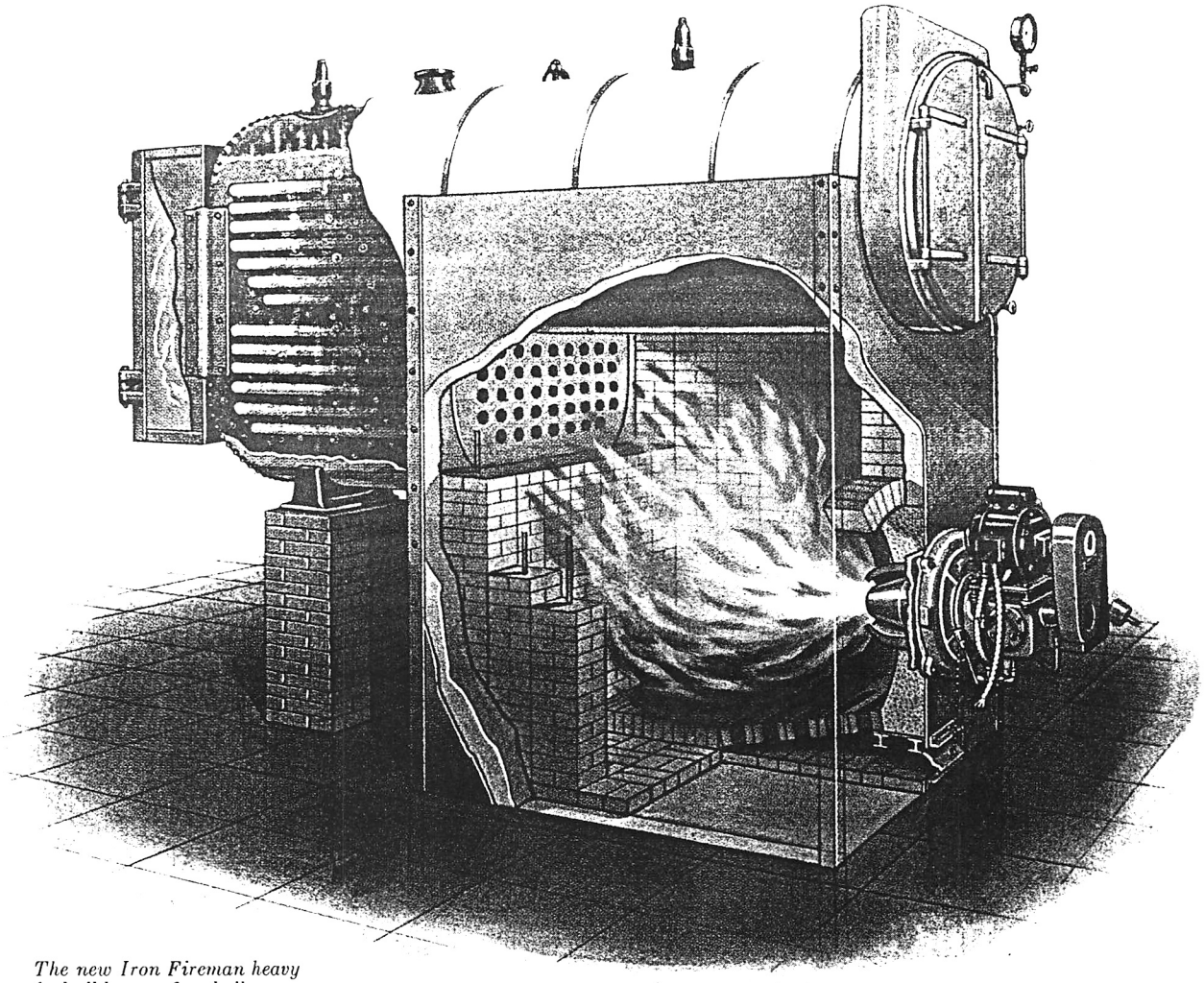
It is superior to the wall flame burner because it produces a luminous flame, and because the flame covers the hearth as well as the side walls, radiating directly against the crown sheet.

It is superior to the conventional gun-type burner because the heat of its flame is thrown upward, rather than being confined below the grate line in a refractory pit.

It is superior to the center flame burner because its flame sweeps the side walls as well as the hearth, and its moving parts are not located in the center of the furnace.

It is superior to all except the simplest gun-type burner in serviceability and simplicity of design.

Its similarity to the famous Iron Fireman stoker gives Iron Fireman a tremendous advantage in the design and production of complete heating units which can be used with both.



The new Iron Fireman heavy fuel oil burner fires boilers up to 160 boiler horsepower.

The New Gas Fired Furnace

The residential heating line will be broadened to a great extent with the addition of the automatic gas fired furnace. This, too, is a distinctive Iron Fireman design of high operating efficiency. It is consistent with Iron Fireman engineering in its high output of radiant heat in the combustion chamber. The heart of the gas fired furnace is a new type heating element which becomes highly luminous in absorbing the intense heat of the transparent gas flame.

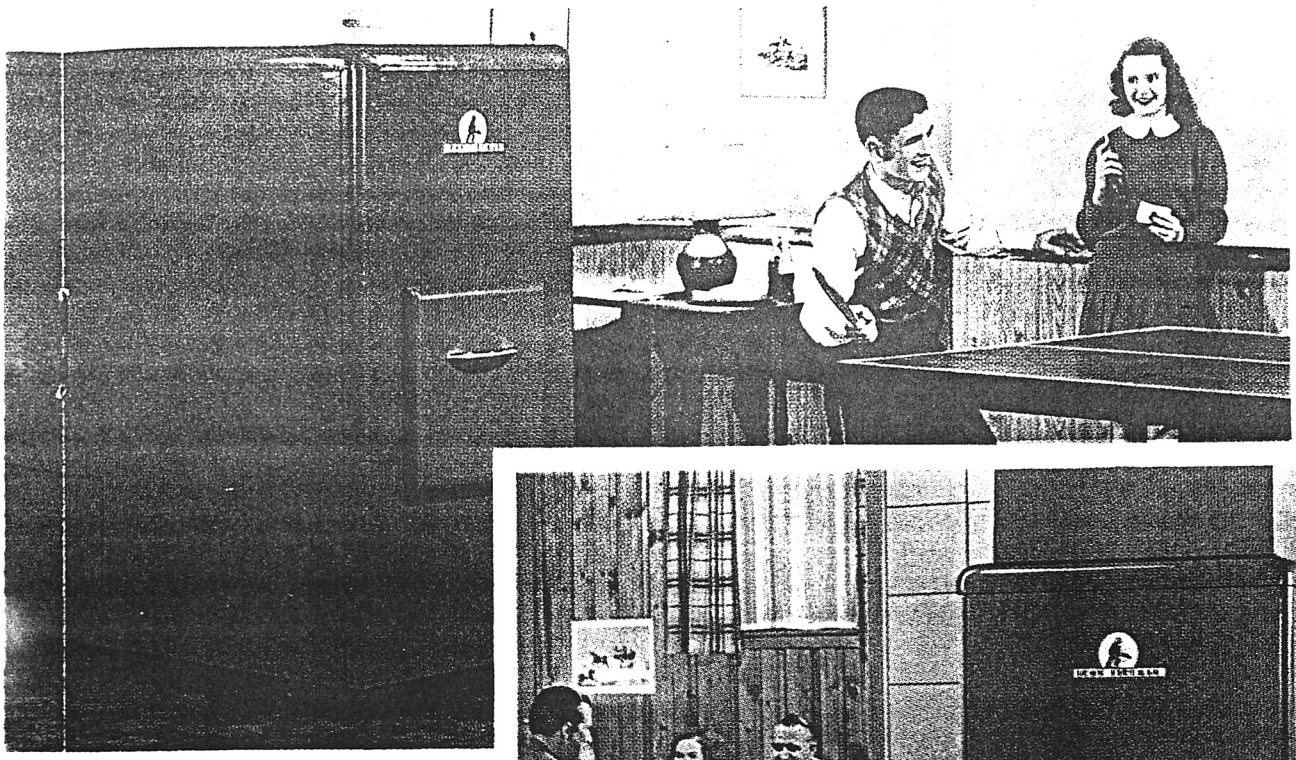
The New Commercial Oil Burners

The Iron Fireman series of heavy fuel oil burners now entering the market embodies several features that mark a distinct advance in this field, which will give them a great competitive advantage. Perhaps the most notable improvement is a new oil metering principle that eliminates one of the most troublesome problems in the firing of heavy oils. Regardless of the temperature of the oil or its viscosity, which varies widely with temperature changes, the Iron Fireman burner maintains a steady, constant flame from its maximum burning rate clear down to only one-fourth capacity. The series now under production covers a range extending from the smallest commercial boilers up to 160 boiler horsepower.

The Conversion Market

By "conversion market" is meant the sale of automatic firing equipment for installation in existing boilers or furnaces, thus converting a hand fired system to an automatic one with minimum expense. This has always constituted

IRON FIREMAN *Luminous Flame* WATERBORNE HEATING



Above, the Iron Fireman WATERBORNE heating unit, a self-firing boiler for steam, hot water or vapor systems. Contains a fire tube boiler of exclusive Iron Fireman design. Available for either coal or oil firing.

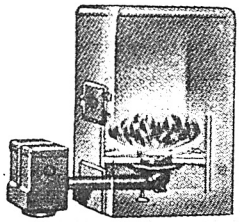
The Iron Fireman AIRBORNE unit provides conditioned warm air under forced circulation. Its large capacity fan is a slow-running type that operates without noise or vibration. Welded plate steel furnace is fired automatically with coal or oil.

the greatest market for automatic heating appliances—a market in which Iron Fireman's leadership has been outstanding. Our new equipment gives us even greater strength in this important field.

Iron Fireman has two stokers for conversion installations, the famous hopper model and the new bin feed stoker (Coal-Flow) which has been completely redesigned to embody numerous outstanding improvements. Both are in large scale production.

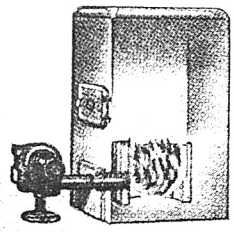
Iron Fireman also has two conversion oil burners—the Vortex which has been previously described, and the M-2, which is an excellent

IRON FIREMAN
VORTEX OIL BURNER



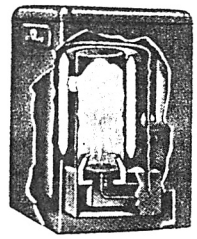
Whirling vortex of oil vapor and air makes new-type luminous flame, blanketing combustion chamber walls. No moving parts subject to furnace heat. Low oil consumption.

IRON FIREMAN
M-2 OIL BURNER



Precise control of air-fuel ratio and effective mixing of oil and air gives high combustion efficiency. Provides years of quiet, dependable service and home heating comfort.

IRON FIREMAN
GAS FIRED FURNACE



Automatically controlled. New type heating element of Iron Fireman design provides highly radiant heat source.

burner of the gun type competing in the low price bracket.

The significance of Iron Fireman's "Luminous Flame" principle is seen again in this conversion market. Reverting to the words of the engineers: "Most of the boilers and furnaces on the market today have been designed for coal firing. Their combustion chambers and secondary heating surfaces have been built around the coal-fired principle. They absorb about sixty per cent of the total heat in the combustion chamber through radiant heat absorption.

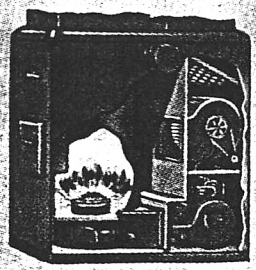
"With both our stoker and our Vortex oil burner we fire the furnaces and boilers in the manner for which they were originally designed. We have that radiant flame across the hearth and directly in contact with the side walls of

the furnace, and all of the heat is produced above the grate line. Thus we are able to get the maximum efficiency out of the furnace."

The New-Home Market

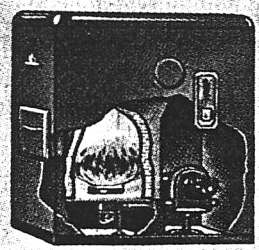
It is now estimated that America must produce a minimum of *one million* homes a year for the next ten years to catch up on the housing shortage. The largest number of homes built

IRON FIREMAN
AIRBORNE HEATING



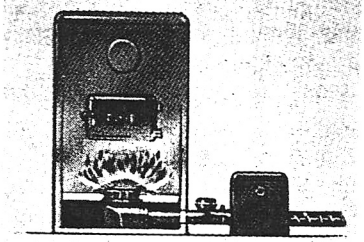
Self-contained, automatic warm air heating unit. Heats, cleans, humidifies, circulates the air. Oil model has Vortex oil burner, coal model feeds direct from bin.

IRON FIREMAN
WATERBORNE HEATING



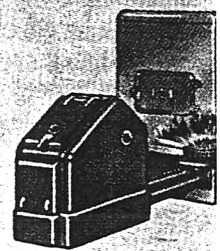
Self-contained, automatically fired boiler unit for steam, hot water or vapor heating. Oil model has Vortex burner, coal model feeds direct from bin. No coal handling.

IRON FIREMAN
COAL-FLOW STOKER



Feeds from bin—no coal handling. Installed in your present heating plant it gives you the convenience and luxury of precision controlled automatic heat, day and night.

IRON FIREMA
HOPPER MODEL



Known from coast to
dependability, reliability
economy. Available wi
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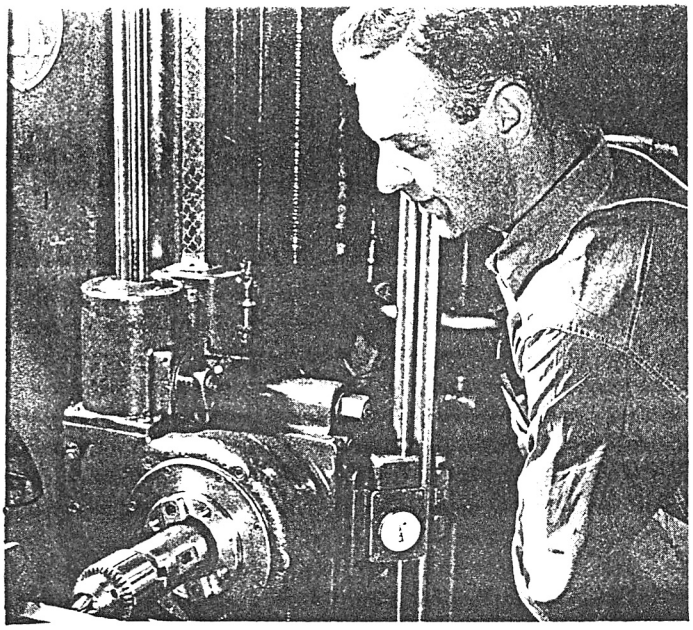
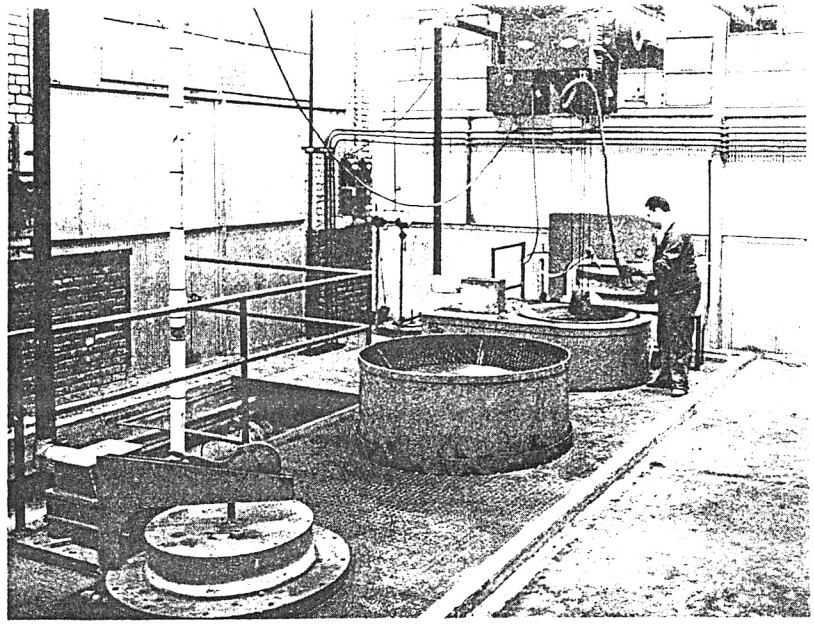
and night temperature



Sensitive machines that will bore, cut or grind to within 1/10,000 of an inch are used in Iron Fireman's modern toolmaking departments.



Pulling a load from one of the new electric heat treating furnaces. Object of heat treating is to make steel harder and tougher to meet Iron Fireman's rigid requirements.

in any previous year was 937,000 in 1925. New home building presents the greatest market that America has ever known.

Iron Fireman is prepared to invade the new home market (where self-contained heating units are preferred) with its self-firing furnaces and boilers for either coal or oil firing, and its gas fired furnace.

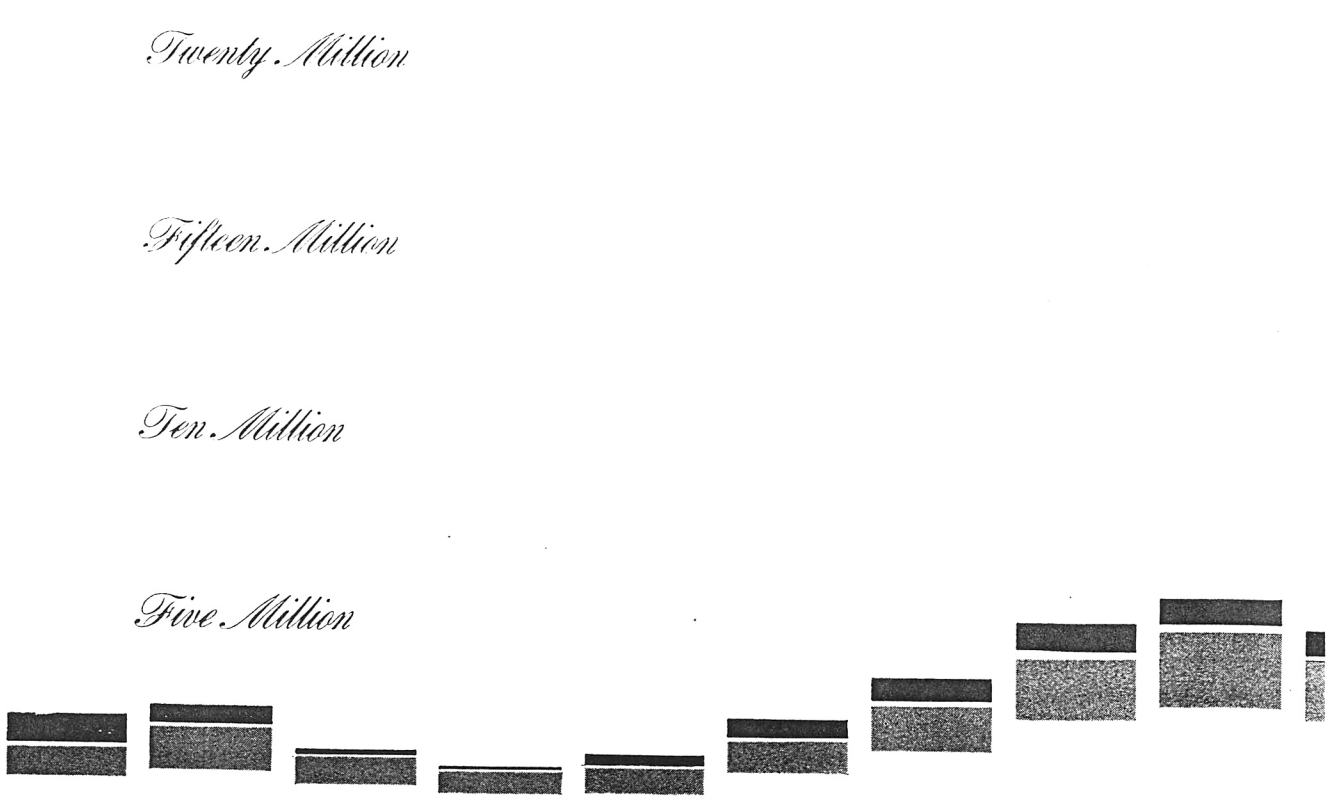
The warm air furnace is known as the Airborne unit. It is entirely contained within a single steel casing. It heats, circulates, humidifies and filters the air, and is fired *either* by a built-in Coal-Flow stoker or Vortex oil burner. These burning units are interchangeable with only minor adjustments, and operate with equal efficiency. An owner may therefore have a highly efficient, modern heating plant, self-contained and self-regulating, which can be changed over from one fuel to the other without sacrificing his major investment.

In outward appearance the Waterborne unit is identical with the Airborne except that it has a small instrument panel with pressure and water gages. It contains an interchangeable burner unit, and a specially designed fire tube boiler of welded steel construction. The Waterborne is for hot water, steam or vapor heating systems.

Iron Fireman enters 1947 with the broadest and finest line of heating equipment in its history.

Iron Fireman Dealers

Iron Fireman heating equipment is sold throughout the United States and Canada by more than 1900 dealers.



$ 3,011,937	$ 3,269,157	$ 2,235,255	$ 1,870,751	$ 2,214,005	$ 3,188,388	$ 4,327,807	$ 5,811,331	$ 6,538,993	$
770,947	440,060	90,917	78,679	330,784	521,708	604,646	774,787	711,460	
83,000	54,000	22,102	20,700	64,441	85,329	99,439	193,265	191,418	
743,074	1,136,056	787,141	656,217	702,097	896,474	1,231,615	1,645,740	1,993,076	
1,414,915	1,639,040	1,335,094	1,115,154	1,147,291	1,722,623	2,412,667	3,232,772	3,651,674	

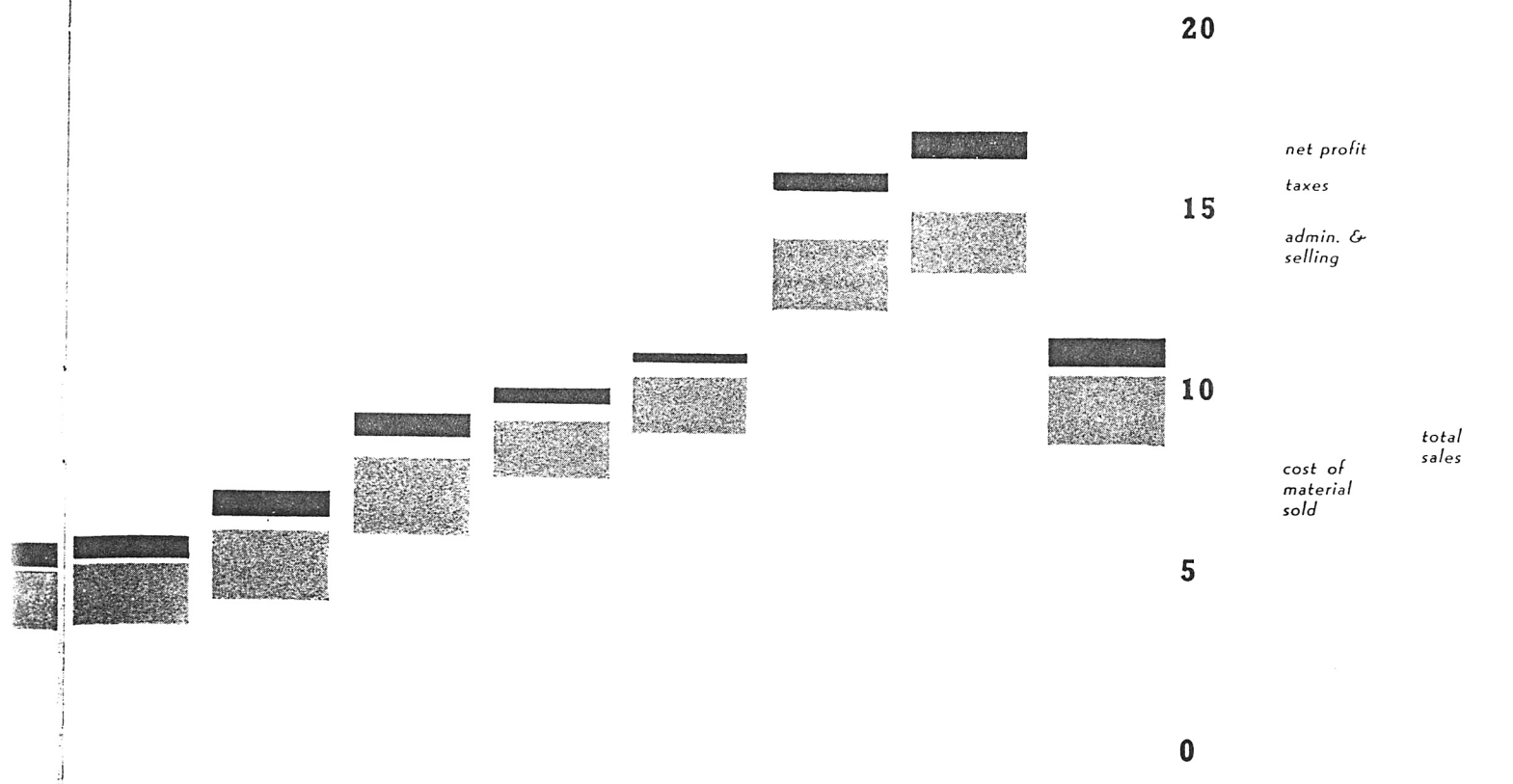
A Record OF IRON FIREMAN EARNINGS

NEVER AN UNPROFITABLE YEAR . . .

In the entire corporate history of Iron Fireman, the company has not failed to return a profit. An annual dividend of $1.20 a share has been paid for 13 consecutive years, in addition to a 50% stock dividend declared in 1934.

COMPARATIVE RECORD SINCE INCORPORATION OF THE COMPANY—

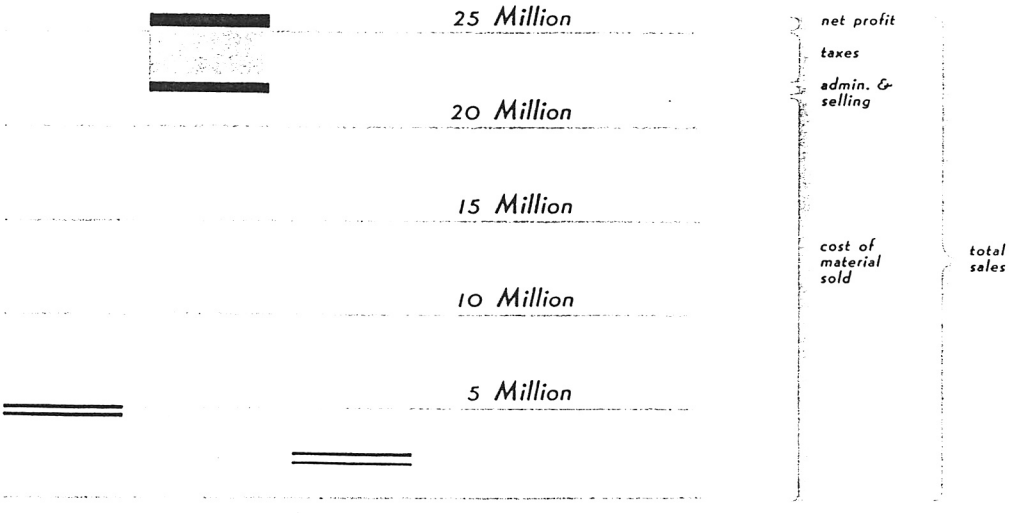
Year	Sales	Profit Before Taxes	Net Profit After Taxes
1926	$ 636,551	$ 170,781	$ 143,100
1927	1,321,295	443,789	375,638
1928	1,945,642	634,736	518,418
1929	3,011,937	853,947	770,947
1930	3,269,157	494,060	440,060
1931	2,235,255	113,019	90,917
1932	1,870,751	99,379	78,679
1933	2,214,005	395,225	330,784
1934	3,188,388	607,037	521,708
1935	4,327,807	704,085	604,646
1936	5,811,331	968,052	774,787
1937	6,538,993	902,878	711,460
1938	5,664,425	768,966	606,901
1939	5,952,712	758,091	611,762
1940	7,232,803	1,148,996	721,308
1941	9,427,392	1,316,234	652,461
1942	15,092,169	1,262,707	491,646
1943	37,028,460	4,090,534	900,849
1944	18,659,321	2,389,205	668,838
1945	17,262,182	2,780,246	776,876
1946	11,515,823	1,131,191	769,102
Total	$164,206,399	$22,033,158	$11,560,887
Average for 21 Years	$ 7,819,359	$ 1,049,198	$ 550,518



425	$ 5,952,712	$ 7,232,803	$ 9,427,392	$10,086,558	$11,135,572	$16,049,321	$17,262,182	$11,515,823.65	SALES
901	611,762	721,308	652,461	383,996	202,145	559,631	776,876	769,102.46	NET PROFIT
065	146,329	427,688	663,773	566,051	431,686	1,389,024	2,003,370	362,089.76	TAXES
163	1,715,561	1,901,716	2,134,777	1,616,277	1,598,978	1,943,436	2,135,239	2,051,294.00	ADMINISTRATION AND SELLING
780	3,503,483	4,220,268	6,010,209	7,611,573	8,874,985	12,363,853	13,476,465	8,747,723.00	COST OF MATERIAL SOLD

IRON FIREMAN MARINE ENGINE PRODUCTION

In 1942 Iron Fireman took over an abandoned plant in Portland and tooled it for production of Liberty ship engines. The performance of this plant was one of the notable achievements of the war years. When the program ended in 1944, these triple-expansion steam engines were being completely machined from rough castings, assembled and tested at the rate of one a day. They weighed 135 tons each.



$ 5,005,611	$25,892,888	$ 2,610,000	SALES
107,650	698,704	109,207	NET PROFIT
205,010	2,757,999	331,343	TAXES
150,030	394,303	33,969	ADMINISTRATION AND SELLING
4,526,166	21,807,591	2,132,204	COST OF MATERIAL SOLD

Balance Sheet

IRON FIREMAN MANUFACTURING COMPANY AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet as of December 31, 1946

Assets

CURRENT ASSETS:			
Cash in banks and on hand			$1,445,475.44
Savings bonds held for sale to employees			12,672.50
Cash surrender value of life insurance policies			260,249.80
Accounts receivable—			
Trade		$ 770,185.28	
Contracts receivable on stoker installations (of which approximately $60,000 is receivable after December 31, 1947)		497,140.23	
Amounts receivable on terminated war contracts, etc.		279,245.80	
		$1,546,571.31	
Less—Reserve for doubtful receivables		131,384.04	1,415,187.27
Inventories of raw materials, work in process and finished products, at average cost or market, whichever was lower			3,804,464.14
Total current assets			$6,938,049.15
CAPITAL ASSETS (AT COST):			
Plant sites		$ 226,444.42	
Buildings, machinery and equipment	$2,553,153.05		
Less—Reserve for depreciation	692,411.56	1,860,741.49	2,087,185.91
Patents, trademarks and copyrights			1.00
DEFERRED CHARGES:			
Unexpired insurance premiums, prepaid expenses and supplies			80,254.78
			$9,105,490.84

Liabilities

CURRENT LIABILITIES:			
Notes payable to bank			$ 900,000.00
Accounts payable—trade			746,484.60
Accrued payrolls, taxes and expenses			421,375.76
Reserve for estimated income and excess profits taxes			817,000.00
Total current liabilities			$2,884,860.36
DEFERRED FINANCE INCOME			17,824.57
RESERVES:			
For product guarantees		$ 25,000.00	
For estimated additional costs arising out of war		200,000.00	
For contingencies		86,000.00	311,000.00
CAPITAL STOCK AND SURPLUS:			
Capital Stock—			
Common, without par value—			
Authorized....400,000 shares			
Issued.....360,000 shares	$1,800,000.00		
Less—90 shares in treasury	450.00	$1,799,550.00	
Surplus—			
Paid-in		595,650.00	
Earned		3,496,605.91	5,891,805.91
			$9,105,490.84

Profit and Loss

IRON FIREMAN MANUFACTURING COMPANY AND SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Loss and Earned Surplus for the year ending December 31, 1946

Net sales		$11,515,823.65
Deduct:		
Cost of sales	$8,641,797.82	
Depreciation	122,459.63	
Selling, administrative and general expenses	2,034,760.10	10,799,017.55
Profit from operations		$ 716,806.10
Other income (net)		63,487.45
Profit on disposal of war plant and other capital assets		216,673.61
		$ 996,967.16
Provision for federal and Canadian income taxes, estimated		362,089.76
		$ 634,877.40
Special income credits and (charge):		
Portion of reserve for additional costs arising out of war restored to income in 1946 to offset reconversion and similar expense in cost of sales less related reduction of income taxes		65,000.00
Adjustment of net current assets of Canadian subsidiary company as of January 1, 1946 to par of exchange		69,225.06
Profit realized on war contracts terminated in 1945	$ 315,813.62	
Less—Related income and excess profits taxes	229,813.62	86,000.00
Amount appropriated to reserve for contingencies		(86,000.00)
Net profit for year 1946		$ 769,102.46
Earned surplus at December 31, 1945		3,159,379.85
		$ 3,928,482.31
Dividends paid in cash		431,876.40
Earned surplus at December 31, 1946		$ 3,496,605.91

AUDITOR'S REPORT

February 11, 1947

To the Board of Directors of
Iron Fireman Manufacturing Company:

We have examined the consolidated balance sheet of Iron Fireman Manufacturing Company and its subsidiary companies as of December 31, 1946 and the related consolidated statement of profit and loss and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related statement of profit and loss and earned surplus present fairly the combined position of Iron Fireman Manufacturing Company and its subsidiary companies at December 31, 1946, and the combined results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price, Waterhouse & Co.

Notes to Financial Statements

NOTE 1: Net assets of the Canadian subsidiary included in the consolidated balance sheet amount to $723,487.46 (U. S. dollars), of which $684,551.24 are net current and working assets. During the year the official rate of exchange was adjusted to par, and the exchange adjustment of $69,225.06 at January 1, 1946 has been credited to income. The profit of this subsidiary amounting to $56,339.38 has been included in the consolidated statement of profit and loss; no dividend was received during the year. The consolidated earned surplus includes $666,859.25 of undistributed profits of the Canadian subsidiary.

NOTE 2: Renegotiation of war contract sales for the year 1945 has not yet been completed. The management is of the opinion that there were no excessive profits for this year and that no refund should be required.

NOTE 3: Federal tax returns for the years up to and including the year 1941 have been examined by the Bureau of Internal Revenue.

Iron Fireman Manufacturing Company

OFFICERS AND SENIOR EXECUTIVES

President and General Manager: *T. H. Banfield*
Vice-President and Treasurer: *Frank S. Hecox*
Vice-President in Charge of Sales: *C. T. Burg*
Secretary: *C. W. Snider*
Assistant Secretary: *Omar C. Spencer*
Assistant Secretary: *David L. Davies*

Manufacturing Executive: *Haskell C. Carter*
Cleveland Plant Manager: *J. E. Williams*
Service Department Manager: *E. C. Webb*
Portland Plant Coordinator: *T. L. Bryant*
Toronto Plant Manager: *J. M. Mackay*
Heating Control Plant Manager: *Wayne F.*

DIRECTORS

T. H. Banfield	*Frank S. Hecox*	*C. T. Burg*
Omar C. Spencer	*Roy L. Shurtleff*	*T. Henry Boyd*

VOTING TRUSTEES

T. H. Banfield	*Frank S. Hecox*	*E. C. Sammons*
Roy L. Shurtleff	*T. Henry Boyd*	

COUNSEL

Hart, Spencer, McCulloch & Rockwood

TRANSFER AGENTS AND REGISTRARS FOR STOCK

The Bank of California, N. A., San Francisco
Wells Fargo Bank and Union Trust Company, San Francisco
Continental Illinois National Bank & Trust Company, Chicago
First National Bank, Chicago

PLANTS AND OFFICES

General Offices: 4784 S.E. 17th Avenue, Portland, Oregon

Manufacturing Units:
4784 S.E. 17th Ave., Portland, Oregon
2838 S.E. 9th Ave., Portland, Oregon
3170 West 106th St., Cleveland, Ohio
602 King St. West, Toronto, Canada

Retail Offices:
4629 S.E. 17th Ave., Portland, Oregon
429 S. Ashland Blvd., Chicago, Ill.
2250 Euclid Ave., Cleveland, Ohio
3114 Washington Ave., St. Louis, Missouri
4507 W. Wisconsin Ave., Milwaukee, Wis.
1053 Atlantic Ave., Brooklyn, N. Y.
602 King St. West, Toronto, Canada

Divisional Sales Offices:
Graybar Building, New York, N. Y.
3170 W. 106th St., Cleveland, Ohio
Paul Brown Bldg., St. Louis, Missouri
Plymouth Bldg., Minneapolis, Minnesota
Rhodes Haverty Bldg., Atlanta, Georgia
Union Trust Bldg., Washington, D. C.
4784 S.E. 17th Ave., Portland, Oregon